

NEVADA COUNTY ECONOMIC FORECAST

The Nevada County economy is growing at a healthy rate. In 2017 it generated 580 new jobs, representing a growth rate of 1.8 percent, which is similar to the statewide growth rate of 2.0 percent. The best performing industries in Nevada County were construction, leisure services, healthcare, and government.

The Nevada County economy is highly concentrated in a few primary industries. One of its largest sectors is government, which employs 6,600 workers and accounts for a fifth of the entire job market. Approximately half of these individuals work in public schools, while most of the rest work in local municipal agencies. A small number work in federal and state offices located within Nevada County.

The Nevada County economy is also heavily reliant on the healthcare sector. Healthcare agencies employ approximately 5,000 workers, many of which are located near the cities of Grass Valley and Truckee.

The third largest sector is leisure services, which includes hotels, restaurants, and recreation centers. Because the county has several ski resorts and recreational lakes, it draws a considerable number of tourists, generating demand for a substantial number of workers in the leisure services sector.

The unemployment rate improved substantially last year, falling from 4.8 percent in 2016 to 4.1 percent in 2017. The county has now reached a “full employment” scenario, meaning that almost everyone who wants a job already has a job. Under these conditions, job creation is expected to slow and further improvements in the unemployment rate will be minimal.

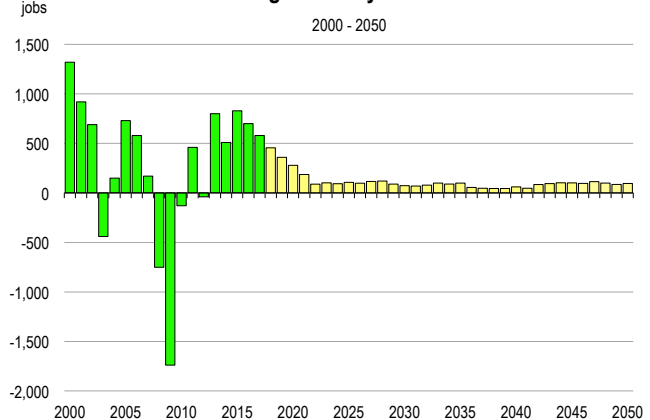
From 2012 to 2017, the Nevada County population grew very slowly, increasing by less than 0.1 percent per year. All of this growth was driven by net migration (people moving into the county, less those moving out). During this span, an average of 250 net migrants entered the county each year.

Nevada County has an old resident base, with more people in retirement age than in the typical childbearing years. Because of this, deaths have outnumbered births by 130 per year. This dynamic is expected to continue over the forecast period, leading to very slow population growth and placing the economy at risk of long-term stagnation. Stagnant economies are often characterized by subpar job creation, slow income growth, and insufficient public revenues, preventing living conditions from improving and making it difficult for local governments to provide adequate public services.

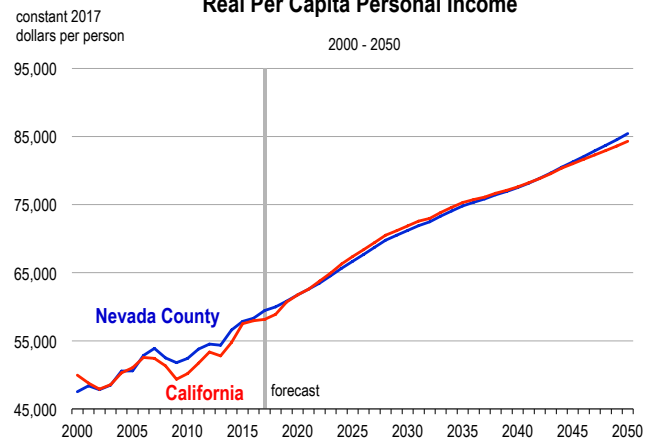
FORECAST HIGHLIGHTS

- Job growth of 1.4 percent is expected in 2018. Between 2018 and 2023, the annual growth rate will average 0.6 percent.

Total Wage & Salary Job Creation



Real Per Capita Personal Income

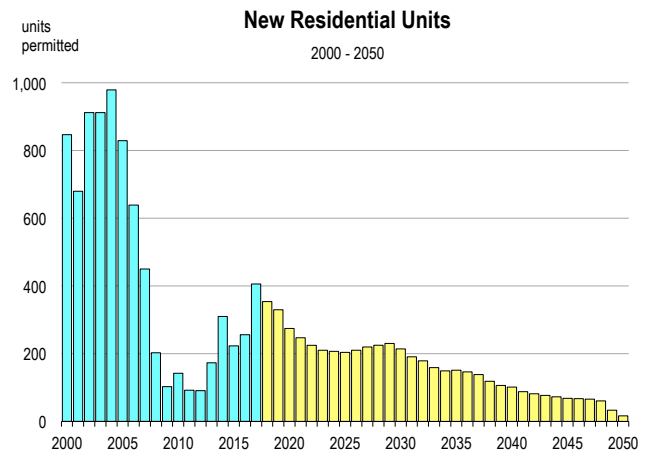
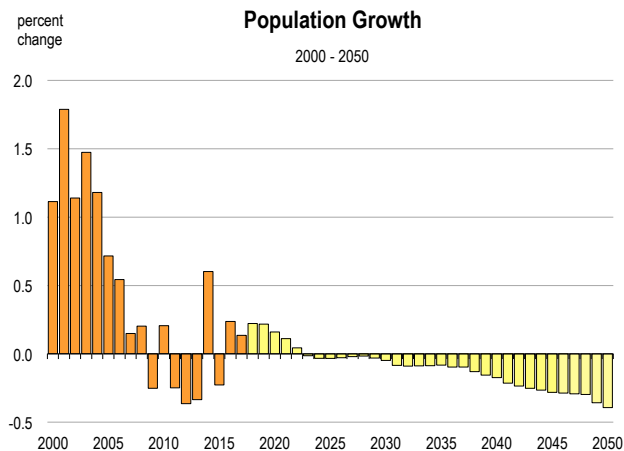


- Between 2018 and 2023, job creation will be concentrated in leisure services, education and healthcare, professional business services, and government. Combined, these industries will account for 80 percent of net job creation in the county.
- Average salaries are below the California average, and will remain so over the foreseeable future. In Nevada County, inflation-adjusted salaries are expected to rise by 1.9 percent per year from 2018 to 2023, which will be similar to statewide growth.
- An average of 260 new homes will be built each year between 2018 and 2023. Virtually all of these will be single-family homes, and very few will be apartments.
- Population growth is expected to average 0.1 percent per year from 2018 to 2023. An average of 250 net migrants will enter the county each year, but deaths will outnumber births by 150 each year.

Nevada County Economic Forecast

2010-2017 History, 2018-2050 Forecast

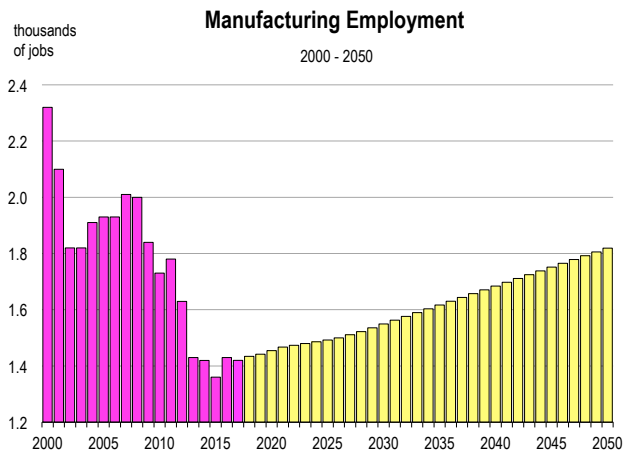
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	98,635	284	128.4	41.5	142	\$1.01	\$4.46	\$52,407	1.3	10.9	491.1	11.7
2011	98,390	-63	126.6	41.5	92	\$1.07	\$4.69	\$53,802	2.7	16.8	466.2	11.1
2012	98,032	-166	124.1	41.0	91	\$1.11	\$4.84	\$54,511	2.7	15.6	461.9	9.7
2013	97,703	-115	126.8	40.3	173	\$1.16	\$4.88	\$54,365	2.3	19.9	428.7	8.1
2014	98,291	702	128.1	40.3	310	\$1.22	\$5.21	\$56,576	2.8	22.9	443.7	6.5
2015	98,067	-17	130.4	40.3	223	\$1.29	\$5.39	\$57,856	2.6	20.7	432.1	5.4
2016	98,300	399	133.5	40.4	256	\$1.33	\$5.57	\$58,335	3.1	21.5	445.0	4.8
2017	98,433	312	131.3	40.5	406	\$1.44	\$5.85	\$59,450	3.2	21.7	442.3	4.1
2018	98,651	346	132.4	40.8	354	\$1.51	\$6.12	\$59,998	3.7	21.7	475.8	3.8
2019	98,866	347	133.4	41.1	330	\$1.58	\$6.36	\$60,824	3.1	21.9	476.9	3.6
2020	99,024	296	134.3	41.4	275	\$1.66	\$6.69	\$61,744	4.1	22.0	483.8	3.8
2021	99,134	256	135.1	41.6	247	\$1.72	\$6.99	\$62,596	3.6	22.1	498.2	4.0
2022	99,177	202	135.7	41.8	225	\$1.80	\$7.28	\$63,483	3.5	22.2	508.1	4.1
2023	99,164	158	136.2	42.0	210	\$1.89	\$7.59	\$64,533	3.4	22.3	520.1	4.3
2024	99,131	152	136.6	42.2	207	\$1.98	\$7.91	\$65,659	3.3	22.4	532.4	4.4
2025	99,098	162	137.0	42.3	204	\$2.07	\$8.22	\$66,683	3.1	22.5	543.3	4.5
2026	99,070	177	137.3	42.5	210	\$2.17	\$8.53	\$67,666	3.1	22.6	555.2	4.7
2027	99,050	196	137.6	42.7	220	\$2.27	\$8.85	\$68,734	3.0	22.7	568.7	4.7
2028	99,034	210	137.9	42.9	225	\$2.37	\$9.18	\$69,782	3.3	22.8	581.9	4.7
2029	99,003	207	138.2	43.0	230	\$2.45	\$9.49	\$70,508	3.1	22.9	596.3	4.7
2030	98,956	200	138.4	43.2	214	\$2.55	\$9.79	\$71,201	3.0	23.1	611.0	4.7
2031	98,872	174	138.7	43.4	191	\$2.65	\$10.08	\$71,913	2.9	23.2	626.0	4.7
2032	98,783	178	138.9	43.6	179	\$2.76	\$10.39	\$72,493	3.1	23.3	641.4	4.7
2033	98,696	187	139.1	43.7	159	\$2.87	\$10.70	\$73,307	2.7	23.4	657.1	4.7
2034	98,611	197	139.3	43.8	149	\$2.99	\$11.02	\$74,069	2.9	23.5	673.3	4.6
2035	98,529	211	139.5	43.9	151	\$3.10	\$11.37	\$74,822	3.0	23.6	689.8	4.6
2036	98,434	206	139.6	44.1	146	\$3.21	\$11.74	\$75,352	3.4	23.7	706.8	4.6
2037	98,339	220	139.8	44.2	138	\$3.32	\$12.12	\$75,838	3.5	23.8	724.2	4.5
2038	98,211	202	139.9	44.3	119	\$3.44	\$12.51	\$76,427	3.3	23.9	742.0	4.5
2039	98,058	192	140.1	44.4	106	\$3.55	\$12.91	\$76,956	3.5	24.0	760.2	4.4
2040	97,888	187	140.2	44.5	102	\$3.66	\$13.32	\$77,522	3.4	24.1	778.8	4.4
2041	97,678	159	140.3	44.6	88	\$3.77	\$13.72	\$78,154	3.2	24.2	797.8	4.3
2042	97,448	151	140.4	44.6	82	\$3.88	\$14.13	\$78,875	3.1	24.4	817.3	4.3
2043	97,202	147	140.6	44.7	77	\$3.99	\$14.55	\$79,644	3.0	24.5	837.2	4.2
2044	96,944	143	140.8	44.8	73	\$4.10	\$14.96	\$80,503	2.8	24.6	857.6	4.2
2045	96,671	139	140.9	44.8	68	\$4.21	\$15.40	\$81,285	3.0	24.7	878.5	4.1
2046	96,394	144	141.1	44.9	67	\$4.33	\$15.83	\$82,084	2.9	24.8	899.9	4.1
2047	96,112	148	141.3	44.9	66	\$4.45	\$16.27	\$82,893	2.9	24.9	921.9	4.0
2048	95,826	155	141.5	45.0	61	\$4.57	\$16.73	\$83,702	2.9	25.0	944.4	4.0
2049	95,484	103	141.7	45.0	33	\$4.69	\$17.19	\$84,546	2.9	25.1	967.4	3.9
2050	95,108	80	141.9	45.1	17	\$4.82	\$17.66	\$85,442	2.9	25.2	990.8	3.8

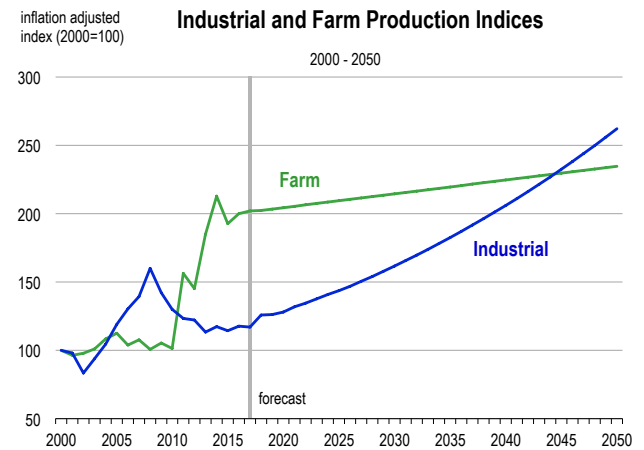
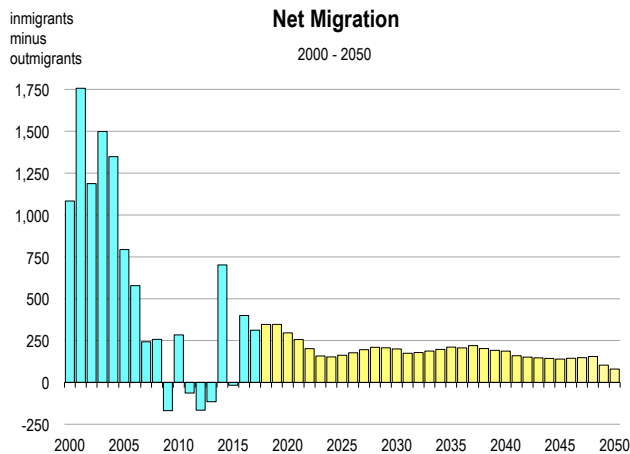
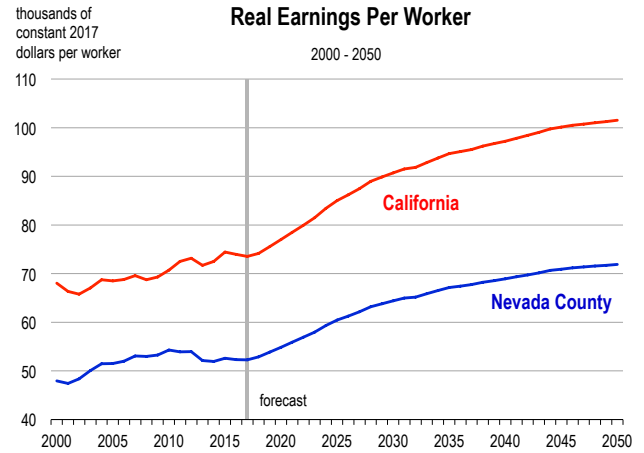
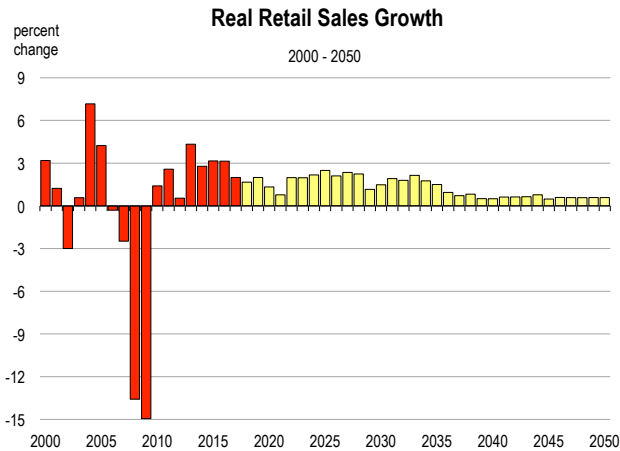


Nevada County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	28.27	0.08	2.08	1.73	0.44	4.04	1.36	2.33	0.33	4.29	4.38	6.16
2011	28.73	0.09	2.20	1.78	0.45	4.09	1.35	2.26	0.30	4.50	4.48	6.13
2012	28.69	0.09	2.34	1.63	0.48	4.13	1.42	2.07	0.30	4.67	4.36	5.95
2013	29.49	0.07	2.49	1.43	0.49	4.18	1.48	2.08	0.30	4.99	4.56	5.96
2014	30.00	0.07	2.70	1.42	0.48	4.20	1.34	2.08	0.30	5.03	4.62	6.09
2015	30.83	0.07	2.73	1.36	0.47	4.33	1.29	2.16	0.29	5.32	4.50	6.52
2016	31.53	0.07	2.84	1.43	0.48	4.42	1.32	2.19	0.29	5.44	4.66	6.51
2017	32.11	0.06	2.91	1.42	0.48	4.43	1.32	2.21	0.28	5.48	4.90	6.55
2018	32.57	0.06	2.94	1.43	0.49	4.45	1.31	2.27	0.28	5.60	5.00	6.65
2019	32.93	0.06	2.96	1.44	0.49	4.49	1.30	2.32	0.28	5.66	5.07	6.73
2020	33.20	0.06	2.95	1.45	0.49	4.51	1.30	2.37	0.28	5.71	5.14	6.78
2021	33.39	0.06	2.89	1.47	0.49	4.53	1.29	2.40	0.28	5.75	5.20	6.82
2022	33.48	0.06	2.85	1.47	0.49	4.55	1.29	2.41	0.28	5.79	5.24	6.81
2023	33.58	0.06	2.82	1.48	0.48	4.59	1.29	2.42	0.28	5.82	5.26	6.81
2024	33.67	0.06	2.79	1.49	0.48	4.62	1.29	2.42	0.28	5.85	5.28	6.81
2025	33.78	0.06	2.77	1.49	0.48	4.66	1.29	2.42	0.28	5.87	5.30	6.83
2026	33.88	0.06	2.76	1.50	0.48	4.69	1.29	2.42	0.28	5.89	5.31	6.85
2027	34.00	0.06	2.75	1.51	0.47	4.73	1.29	2.42	0.28	5.91	5.33	6.87
2028	34.12	0.06	2.75	1.52	0.47	4.77	1.29	2.42	0.28	5.91	5.35	6.90
2029	34.21	0.06	2.75	1.54	0.47	4.80	1.29	2.42	0.28	5.91	5.36	6.92
2030	34.28	0.07	2.74	1.55	0.46	4.82	1.29	2.42	0.28	5.90	5.38	6.94
2031	34.35	0.07	2.72	1.56	0.46	4.85	1.29	2.42	0.28	5.90	5.39	6.97
2032	34.43	0.07	2.71	1.58	0.46	4.88	1.29	2.42	0.28	5.90	5.40	6.98
2033	34.53	0.07	2.70	1.59	0.45	4.91	1.29	2.42	0.28	5.89	5.41	7.02
2034	34.62	0.07	2.70	1.60	0.45	4.94	1.29	2.42	0.28	5.89	5.42	7.04
2035	34.72	0.07	2.71	1.62	0.44	4.97	1.29	2.42	0.28	5.89	5.43	7.07
2036	34.77	0.07	2.71	1.63	0.44	4.99	1.29	2.41	0.28	5.88	5.44	7.07
2037	34.82	0.07	2.70	1.64	0.44	5.00	1.29	2.41	0.28	5.88	5.44	7.08
2038	34.86	0.07	2.70	1.66	0.43	5.02	1.29	2.41	0.28	5.87	5.45	7.09
2039	34.91	0.07	2.69	1.67	0.43	5.03	1.29	2.41	0.28	5.87	5.45	7.10
2040	34.97	0.07	2.70	1.68	0.43	5.04	1.29	2.41	0.28	5.88	5.45	7.10
2041	35.02	0.07	2.69	1.70	0.42	5.05	1.29	2.40	0.28	5.87	5.46	7.12
2042	35.10	0.07	2.70	1.71	0.42	5.06	1.29	2.40	0.28	5.89	5.46	7.14
2043	35.20	0.07	2.70	1.72	0.41	5.07	1.29	2.40	0.28	5.91	5.47	7.16
2044	35.30	0.07	2.70	1.74	0.41	5.08	1.29	2.39	0.28	5.92	5.48	7.19
2045	35.40	0.07	2.71	1.75	0.41	5.09	1.30	2.39	0.28	5.95	5.49	7.22
2046	35.50	0.07	2.71	1.77	0.40	5.10	1.30	2.38	0.28	5.96	5.49	7.24
2047	35.61	0.07	2.72	1.78	0.40	5.11	1.30	2.37	0.28	5.99	5.50	7.27
2048	35.71	0.07	2.73	1.79	0.39	5.12	1.30	2.37	0.28	6.01	5.51	7.30
2049	35.80	0.07	2.71	1.81	0.39	5.14	1.30	2.36	0.28	6.04	5.52	7.32
2050	35.89	0.07	2.70	1.82	0.38	5.15	1.30	2.36	0.28	6.07	5.52	7.35





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	8.3%
Expected job growth:	3.1%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	8.1%

Expected population growth:	0.5%
Net migration to account for:	100%
Expected growth in number of vehicles:	2.9%

Demographic (2018)

Unemployment rate (April 2018):	3.3%
County rank* in California (58 counties):	15th
Working age (16-64) population:	59.3%

Population with B.A. or higher:	33.8%
Median home selling price (2017):	419,750
Median household income:	\$59,446

Quality of Life

Violent crime rate (2016):	210 per 100,000 persons
County rank* in California (58 counties):	6th
Average commute time to work (2018):	26 minutes

High School drop out rate (2017):	N/A**
Households at/below poverty line (2018):	8.1%

* The county ranked 1st corresponds to the lowest rate in California

** Reliable data not available for Nevada County